



**Melville Douglas Select Fund Limited**  
**Annual Report and Audited Financial Statements**  
**Year ended 30 September 2022**

# Melville Douglas Select Fund Limited

## Annual Report and Audited Financial Statements

For the year ended 30 September 2022

Contents	Pages
Administration	2
Report of the Directors	3
Report of the Custodian	5
Investment Manager's Report	6
Independent Auditors' Report	12
Statement of Financial Position	14
Statement of Comprehensive Income	16
Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares	18
Notes to the Financial Statements	19
Portfolio Statement	31
Fund Statistics (Unaudited)	35
Other Information (Unaudited)	37

# Melville Douglas Select Fund Limited

## Administration

### Directors

Graham Baillie (South African/British)  
Michael Farrow\* (British) (Chairman) (Jersey  
Resident )  
Oliver Sonnbichler (South African/Austrian)  
Robert Stewart (South African) (Jersey  
Resident)

### Sub-Custodian and Banker

The Bank of New York Mellon SA/NV London Branch  
The Bank of New York Mellon Centre  
160 Queen Victoria Street  
London EC4V 4LA  
United Kingdom

### Registered Office

Standard Bank House  
47 - 49 La Motte Street  
St. Helier  
Jersey JE2 4SZ  
Channel Islands

### Administrator

BNY Mellon Fund Services (Ireland) Designated  
Activity Company  
One Dockland Central, Guild Street  
International Financial Services Centre  
Dublin 1  
Ireland

### Manager and Secretary

STANLIB Fund Managers Jersey Limited  
Standard Bank House  
47 - 49 La Motte Street  
St. Helier  
Jersey JE2 4SZ  
Channel Islands

### Independent Auditors

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### Investment Manager

Melville Douglas Investment  
Management (Proprietary) Limited  
30 Baker Street  
Rosebank  
Johannesburg, 2196  
Republic of South Africa

### Legal Adviser

Ogier  
Ogier House  
44 Esplanade  
St. Helier  
Jersey JE4 9WG  
Channel Islands

### Custodian

Apex Financial Services (Corporate) Limited  
12 Castle Street  
St. Helier  
Jersey JE2 3RT  
Channel Islands

\*Independent Non-Executive Director.

# Melville Douglas Select Fund Limited

## Report of the Directors

The directors submit their annual report and audited financial statements for the year ended 30 September 2022.

### **Incorporation**

Melville Douglas Select Fund Limited (the "Company") is an open-ended investment company incorporated by way of a continuance in Jersey on 31 March 2003 under the provisions of the Companies (Jersey) Law 1991 as Melville Douglas European Fund Limited and holds a fund certificate issued pursuant to the Collective Investment Funds (Jersey) Law 1988 and is regulated by the Jersey Financial Services Commission ("JFSC"). It was initially incorporated in the British Virgin Islands under the Mutual Funds Act 1996 on 19 November 1998. On 29 November 2013 the Company changed its name to Melville Douglas Select Fund Limited. The Company is a public company within the meaning of Article 16 of the Companies (Jersey) Law 1991. Participating shares may be issued and redeemed at prices based upon each class's underlying net asset value.

### **Structure**

The Company offers investors a choice of classes (each such class being referred to as a "Class Fund") and the opportunity to switch from one Class Fund to another. As at 30 September 2022 there are two Class Funds available - Global Equity Class and Global Impact USD Class.

The assets, liabilities, income and expenses attributable to each class of participating share are applied to the Class Fund established for that class. If they are not attributable to any particular class of participating shares, they are allocated between all the Class Funds in such manner as the directors deem to be equitable. The Company is a single legal entity. As a result, although the assets, income, earnings, liabilities and expenses attributable to each Class Fund will be segregated and kept separate from those attributable to other Class Funds, in the event of the Company not being able to meet the liabilities attributable to any particular Class Fund out of the assets of such Class Fund, the excess liabilities may be met out of the assets attributable to other Class Funds. At 30 September 2022, the Company has two Class Funds which offers four Share Classes.

### **Objective and investment policy**

The objective of the Global Equity Class is to provide investors with long term capital growth by investing primarily in quoted global equities, which will maximise investment returns in US Dollars ("USD").

The objective of the Global Impact USD Class is to deliver long-term capital growth (in USD) by investing in global companies that are positively exposed to sustainable investment themes, which includes investing in quality companies that are leading sustainable change for society and the environment thus taking advantage of the link between sustainable development, innovation and long-term compounding growth.

### **Results and dividends**

The Company does not intend to distribute income and capital gains realised by the Company on its investments by way of dividend. Accordingly, income on investments and increases in the capital value of the investments of the Company will be reflected in the value of the participating shares. The results for the year are disclosed in the Statement of Comprehensive Income.

### **Directors**

The directors of the Company during the year and subsequently are set out on page 2.

Graham Baillie is non-executive Chairman of Melville Douglas Investment Management (Proprietary) Limited. Oliver Sonnbichler is an executive of Melville Douglas Investment Management (Proprietary) Limited, Robert Stewart is an employee of Standard Bank Jersey Limited and Michael Farrow is an independent non-executive director.

Robert Stewart holds 11,781.01 A Shares in the Global Equity Class.

# Melville Douglas Select Fund Limited

## Report of the Directors (continued)

### Registered Office

The registered office is as disclosed on page 2.

### Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable Jersey law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice "UK GAAP"), including Financial Reporting Standard ("FRS") 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102").

The Companies (Jersey) Law, 1991 requires the directors to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that year. In preparing those financial statements, the directors should:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The directors confirm that they have complied with all the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Connected Persons

The directors are satisfied that there are arrangements in place to ensure that transactions with connected persons entered into during the year were carried out as if negotiated at arm's length and were in the best interests of shareholders.

### Independent Auditors

PricewaterhouseCoopers Ireland have indicated their willingness to continue in office. A resolution to reappoint PricewaterhouseCoopers Ireland as independent auditors of the Company will be proposed at the annual general meeting. A copy of the Notice of the Annual Form of Proxy General Meeting is attached and forms part of these financial statements.

### Secretary

The Secretary of the Company during the year ended 30 September 2022 and subsequently was STANLIB Fund Managers Jersey Limited.

**By Order of the Board**  
**STANLIB Fund Managers Jersey Limited**



**Company Secretary**  
**12 January 2023**

# Melville Douglas Select Fund Limited

## **Report of the Custodian**

To the members of Melville Douglas Select Fund Limited.

The Custodian is responsible for the safekeeping of all the property of the Company which is entrusted to it, as prescribed in the Custodian Agreement.

Under the principles of the Guide to open-ended unclassified collective investment funds offered to the general public (the "OCIF Guide"), issued by the Jersey Financial Services Commission, the Custodian has a duty to take reasonable care to ensure that the methods adopted by the Company's Manager in respect to the pricing of, and dealing in, shares in the Company are compliant with the Company's principal documents.

It is the opinion of Apex Financial Services (Corporate) Limited in respect of the year ended 30 September 2022 that to the best of our information, knowledge and belief, that in all material respects, the Manager managed the Class Funds in that year:

- a) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Articles of Association and Prospectus and;
- b) otherwise in accordance with the provisions of the Management and Custodian Agreements.

Two handwritten signatures are shown side-by-side. The signature on the left appears to be "Paul H." and the signature on the right appears to be "George".

**Apex Financial Services (Corporate) Limited**  
Custodian  
12 January 2023

# Melville Douglas Select Fund Limited

## Investment Manager's Report

For the year ended 30 September 2022

### Global Equity Class (the “Class Fund”)

#### Class Fund Review

It has been a challenging 12 months for global equities with the class fund unable to escape the carnage. The class fund (-22.56% X Shares) underperformed the benchmark MSCI All Country World index (-20.66%), impacted by the significant style rotation. Over the period the MSCI Value Index was down 14% versus the MSCI Growth Index which was down 27.5%. Having no exposure to energy which was the only sector that returned a positive return over the 12 months also hurt the class fund's performance. Communication services was the worst performing sector impacted by rising rates, high valuations, and consumer weakness leading to marketing budgets being cut. Healthcare was seen as a relative safe haven amidst the volatility, and the class fund benefited from being overweight the sector as well as from our superior stock selection.

Notable performers within healthcare were Elevance Health, United Healthcare and JNJ. The managed care providers United Healthcare and Elevance Health offer protection from inflation as they have minimal exposure to commodity-based inflation and supply chain challenges. In addition, rising rates provides a profit lift for insurers as they carry a lot of liquid assets given the bulk of premiums will eventually go toward medical costs. JNJ group has historically held up well amidst volatile markets due to its steady and diversified earnings profile and this proved to be the case again over the period.

PepsiCo has outperformed bolstered by robust quarterly results, which has seen them beat and raise guidance. They are seeing strong revenue growth across most markets, driven by pricing with volumes holding up well especially in the US. Their gross margins are proving resilient with only a 20bps contraction over the latest quarter. This is impressive given the high COGS inflation of around mid to high teens that they face. Management has spoken to their demand elasticity holding up very well.

Meta Platforms the parent company of social media platforms Facebook, Instagram and WhatsApp has seen its shares plummet following concerns about competition from short-form video (e.g. TikTok), privacy changes to Apple's operating system (which makes it more difficult for Meta to target and measure advertising campaigns within its social media apps), higher costs, and a weaker consumer hitting advertisers' budgets.

Keyence shares were dragged down by the broad market de-risking and concerns around a weaker macro affecting their end markets.

Partners Group, the largest listed alternative asset manager in Europe has seen weakness on macro uncertainty and volatile markets. The stock's underperformance was also in part due to the elevated levels of valuation it started the year trading at. We have seen the NTM PE correct from 31.5x at the start of the year to 17x currently.

The Chinese ecommerce player Alibaba continues to react to newsflow around the regulatory environment. The stock has also been by the hurt the broader Chinese market sell-off on macro concerns as we continue to see lockdowns and a struggling property market in China.

# Melville Douglas Select Fund Limited

## **Investment Manager's Report (continued)**

### **Global Equity Class (the "Class Fund") (continued)**

#### **Market Overview**

The outlook for interest rates has been the key driver of equity markets this year. We have seen a high degree of volatility centred around news flow and datapoints related to the inflation and interest rate outlook. Hawkish commentary from the Fed and that signals more material rate hikes to come this year have seen equity markets tumble. There is growing concern that the actions by the Fed will result in a hard landing. Furthermore, there are increasingly more headlines on potential downside risks to earnings estimates. We have seen unmatched strength in the US dollar which should see US companies that have high international exposure, having their earnings impacted by negative FX translation. Sentiment has not been helped by escalating tensions in Russia's war with Ukraine. China has struggled given the ongoing lockdowns in the region and a struggling property market.

#### **Looking Ahead**

We hope for the best but prepare for the worst as the situation remains fluid. We have seen how quickly things can change over the past twelve months. Ingrained in our investment process is to check the hatches are securely battened down ahead of the storm clouds.

Our fundamental analysis ensures objectivity amidst the whipsawing news and views of the day. We assess how resilient the class fund's holdings will be during a downturn as it is difficult to generate long term compound returns if the class fund suffers large negative returns during a challenging business cycle. In a recessionary environment, companies with strong balance sheets have low bankruptcy risk and can continue to invest in maintaining their competitive edge and in new growth opportunities. Our investment process is focused on finding these high-quality companies, quality being defined by a defendable economic moat, strong balance sheet, high return on capital employed and healthy cash flow generation. It is not enough to just identify these companies. We regularly test that this quality still holds true, particularly when there is a risk of a more challenging environment to come.

Our confidence in the balance sheet strength of our holdings not only ensures the long-term value of our clients' savings is protected through the business cycles, but also provides confidence to take advantage of short-term market sell-offs.

# Melville Douglas Select Fund Limited

## Investment Manager's Report (continued)

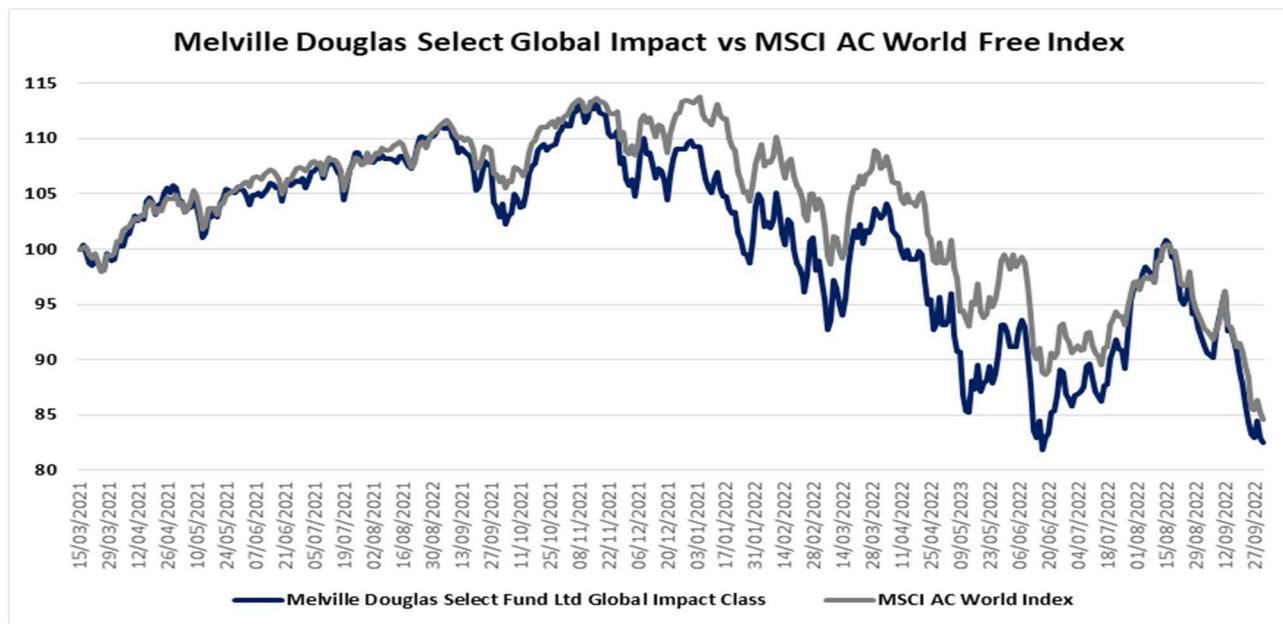
For the year ended 30 September 2022

### Global Impact USD Class (the "Class Fund")

#### Class Fund Review

As at the end of September 2022, the team continues to identify key thematic trends and high-quality underlying businesses that are driving a positive, tangible impact on society and the planet. We have enhanced our proprietary Impact Assessment framework to allow us to positively select for such businesses, ensuring a detailed analysis of the metrics that demonstrate a firm commitment towards delivering impact, and in so doing, help address the world's most pressing challenges, which include climate change mitigation, health and wellbeing, and biodiversity preservation.

The class fund had a difficult year on an absolute performance basis, down 19.87% (X Shares), but performed well on a relative basis and was slightly ahead of the benchmark, which was down 20.66% over the same time period. The total NAV of the Class Fund at the end of September was \$56.88m. Please see further details below around the class fund's most recent performance, current positioning, and impact delivered.



Throughout most of this year, and particularly more recently, the outlook for the global economy has deteriorated, and leading indicators have progressively worsened. The path for interest rates now has become decisively restrictive on the back of inflation levels which haven't been experienced for over 40 years. The higher cost of interest is already having an impact on demand, with new car and home sales softening on deteriorating affordability metrics. Inflation will trend lower given positive base effects, but the key question remains how long it will take before inflation once again reaches central bank target levels in developed economies. At this stage, it wouldn't appear to be imminent. Central banks are on a mission to regain the credibility they lost during a period of unprecedented monetary stimulus, by hiking interest rates aggressively to combat inflation, and more importantly, long-term inflation expectations even, if it's at the expense of a 'not so soft landing'.

# Melville Douglas Select Fund Limited

## Investment Manager's Report (continued)

### Global Impact USD Class (the "Class Fund") (continued)

#### Class Fund Review (continued)

Global investment markets have reacted to this reality. The scale of the recent selloff indicates that a recession is increasingly being priced in, but investors should expect the current bout of volatility to continue until the outlook for inflation has improved. Fiscal stimulus may assist households and companies to deal with significantly higher energy prices in the short term, but the associated increase in interest rates that are sure to follow may turn out to be more costly as the world economy enters the next cyclical downturn.

Nonetheless, the correction in markets is providing opportunities for patient investors, with equity market valuations starting to discount a worse than expected outlook for company profits over the next year. In addition, investors have already adjusted their equity and cash allocations to 2020 levels, thereby positioning for the worst. An improvement in the outlook for inflation is sure to provide an underpin to risk assets from current levels, which could result in investment markets reaching the next inflection point as we move from the current phase of "despair" to the next phase of "hope", a period which has historically generated the greatest returns for equity investors over a short period of time.

Regarding the Class Fund performance, Information Technology (-30.79%) and Financials (-28.63%) were the largest detractors from the class fund's absolute performance over the year. Within Information Technology, some of the higher growth financially orientated stocks that the Class Fund owns, which contribute towards financial inclusion within the Health and Wellbeing theme, are classified in this sector, and deteriorated significantly throughout the course of 2022 as ecommerce transactions slowed as a result of a deteriorating macroeconomic backdrop. Stocks in the Class Fund which have performed poorly include Block, PayPal, and Shopify. Within Financials, the weakness was driven by the Class Fund's exposure to the iShares Self-driving EV & Tech ETF and the iShares MSCI Global Sustainable Development Goals ETF. Both of these were impacted by the deteriorating outlook for the underlying consumer stocks within these ETF's due to the high interest rate and low growth environment, and also as a result of further significant de-rating of ESG stocks in the market sell-off, many of which had benefitted from premium ratings over the previous few years as investors paid up for stocks that screened highly on ESG metrics.

Healthcare was the only sector that contributed positively to performance over the year on an absolute basis (+2.58%). This was primarily driven by our exposure to managed care organizations (MCO's), UnitedHealth Group (+30.94%) and Elevance Health (+23.17), which proved to be relative safe-havens amongst the broad-based equity sell-off. The MCO's offer protection from inflation as they have minimal exposure to commodity-based inflation. In addition, rising interest rates provide a profit lift for insurers as they carry a lot of liquid assets given that the bulk of premiums will eventually go toward medical costs. Furthermore, hospital utilisation rates continue to be subdued compared to pre-pandemic levels, resulting in medical costs remaining at the lower end of expectations.

In other news particularly relevant to the Class Fund over the most recent quarter, the US Inflation Reduction Act of 2022 (IRA) was passed by congress and signed into law by President Biden on the 16th August. The act represents an unprecedented commitment to the US tackling climate change by authorizing \$369bn in new spending on activities to curb climate change, as well as a set of tax credits that boost the US renewables and hydrogen sectors. For the renewable power sectors, there is a 10-year extension of tax credits for wind and solar, as well as a new 10-year tax credit for standalone energy storage. Solar projects can now access more lucrative production tax credits, and wind projects with batteries can access the storage investment tax credit. For the electric vehicle sector, there are incentives for EV charging (the installation of charging points), and an extension of the tax credit for electric car sales. For the hydrogen sector, the US\$3/kg hydrogen tax credit means that green hydrogen made from renewable energy will be more economical than grey hydrogen from natural gas, providing a significant tailwind for investment in renewables as well as hydrogen electrolyzers.

Companies in the Class Fund that are beneficiaries of this legislation include Orsted, Iberdrola, Plug Power, and Enphase Energy.

# Melville Douglas Select Fund Limited

## Investment Manager's Report (continued)

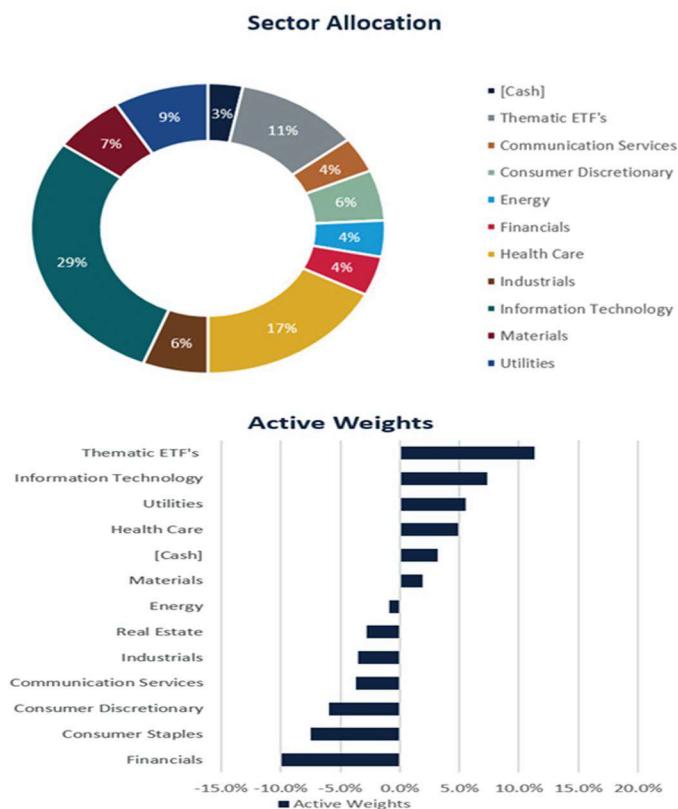
### Global Impact USD Class (the "Class Fund") (continued)

#### Positioning

Information Technology, Healthcare and Utilities are the largest sector holdings which we likely see as persisting, given the thematic focus areas of the class fund (Health & Wellbeing, Climate Change and Biodiversity Preservation). The exposure to thematic ETF's currently stands at 11%. These are held to capture ideas aligned to the class fund's themes where we aim to, but don't currently have, direct equity exposure. These will be reduced over time as we build out our coverage and introduce new ideas into the class fund. The thematic ETF exposure consists of two ETF's, namely the iShares MSCI Global Sustainable Development Goals ETF, and the iShares Self-driving EV & Tech ETF.

From an active positioning perspective, the class fund is most overweight Information Technology, Utilities, and Healthcare. Within Information Technology, there are several holdings with varying end-markets, which include Microsoft, Shopify, Visa, Mastercard, Paypal, Keyence, Ansys, Block and Enphase Energy. Within Utilities, we have built up the exposure through Iberdrola and Orsted, both of which are strongly positioned in the Renewable Energy space, which has strong tailwinds behind it given the drive for economies to decarbonize, driven by recent legislation such as the US IRA of 2022 and the REpowerEU plan (which seeks to end the EU's dependence on Russian fossil fuels and replace this with clean energy solutions). The overweight to Healthcare consists of companies offering a broad range of exposure to medical insurance, clinical research, trial services, laboratory consumables, and diagnostic kits used to increase the speed and accuracy of disease diagnosis.

The class fund's significant underweights are Financials, Consumer Staples, and Consumer Discretionary. As we continue to search for new ideas within the class fund's themes that deliver tangible impact, we will look to reduce these underweights where appropriate.



# Melville Douglas Select Fund Limited

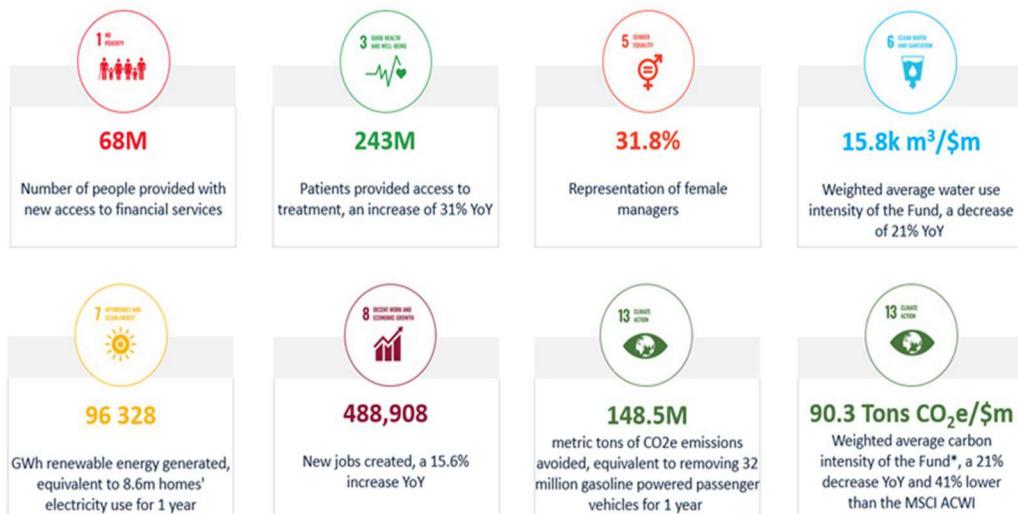
## Investment Manager's Report (continued)

### Global Impact USD Class (the "Class Fund") (continued)

#### Impact

The class fund looks to identify businesses that are driving a positive impact on society and the environment by capturing sustainable secular themes that achieve industry leading growth and profitability over time. The process starts with a top-down analysis, identifying key sustainable themes and sub-themes, and then identifying businesses which are driving such themes, as well as generating a tangible, positive impact. This is determined through a proprietary Melville Douglas Impact Assessment.

In partnership with NetPurpose, who consolidate the underlying impact data metrics of the companies held in the Class Fund, we can measure the tangible impact that these companies have delivered during their most recent financial year, grouped according to the broad climate change, and health and wellbeing, themes of the Class Fund. The total impact delivered by companies in the class fund is shown below.



Source: NetPurpose, Melville Douglas Impact Fund Calculations. Latest FY data.  
\* Scope 1 and Scope 2 emissions

**Melville Douglas Investment Management (Proprietary) Limited**  
**Investment Manager**  
**20 October 2022**



## ***Independent auditors' report to the members of Melville Douglas Select Fund Limited***

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Melville Douglas Select Fund Limited's financial statements:

- give a true and fair view of the state of the company's and class funds' affairs as at 30 September 2022 and of their results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements, which comprise:

- the Statements of Financial Position as at 30 September 2022;
- the Statements of Comprehensive Income for the year then ended;
- the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares for the year then ended;
- the Portfolio Statement for each of the class funds as at 30 September 2022; and
- the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's and class funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's and class funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.



## Responsibilities for the financial statements and the audit

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's and class funds' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: [https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### **Companies (Jersey) Law 1991 exception reporting**

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Patrick Glover  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants  
Dublin, Ireland  
13 January 2023

# Melville Douglas Select Fund Limited

## Statement of Financial Position

As at 30 September 2022  
(Comparatives as at 30 September 2021)

	Notes	Global Equity Class 30 September 2022 2022 USD	Global Equity Class 30 September 2021 2021 USD	Global Impact USD Class 30 September 2022 2022 USD	Global Impact USD Class 30 September 2021 2021 USD
<b>Assets</b>					
Financial assets at fair value through profit or loss	2(b), 7.4	748,529,769	915,898,310	54,950,840	9,735,225
Cash and cash equivalents	2(c)	13,145,525	15,856,784	1,824,138	199,811
Receivable for shares sold	2(f)	2,054,013	3,543,877	219,000	—
Income receivable	2(d)	192,984	167,312	23,396	959
Other receivables	—	—	—	598	24,176
<b>Total assets</b>		<b>763,922,291</b>	<b>935,466,283</b>	<b>57,017,972</b>	<b>9,960,171</b>
<b>Liabilities</b>					
Payable for shares redeemed	2(f)	395,965	491,113	124,501	—
Management fees payable	2(g)	453,591	557,621	10,637	1,725
Custodian fees payable	2(g)	7,074	7,695	1,690	411
Sub-Custodian fees payable	2(g)	1,993	4,662	—	211
Performance fees payable	2(g)	—	942,631	—	—
Director fees payable	2(g)	8,744	9,200	633	105
Audit fees payable	2(g)	12,561	10,080	441	87
Other payables	—	10,618	11,955	798	132
<b>Total liabilities</b>		<b>890,546</b>	<b>2,034,957</b>	<b>138,700</b>	<b>2,671</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>763,031,745</b>	<b>933,431,326</b>	<b>56,879,272</b>	<b>9,957,500</b>
<b>Net asset value per share</b>					
Class A Shares	—	18.68	24.37	9.64	—
Class B Shares	—	14.89	19.52	—	—
Class C Shares	—	15.76	20.51	—	—
Class X Shares	—	16.23	20.95	8.25	10.29

The notes on pages 19 to 30 form an integral part of these financial statements.

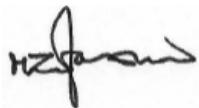
# Melville Douglas Select Fund Limited

## Statement of Financial Position (continued)

As at 30 September 2022  
(Comparatives as at 30 September 2021)

	Notes	Total 30 September 2022 USD	Total 30 September 2021 USD
<b>Assets</b>			
Financial assets at fair value through profit or loss	2(b), 7.4	803,480,609	925,633,535
Cash and cash equivalents	2(c)	14,969,663	16,056,595
Receivable for shares sold	2(f)	2,273,013	3,543,877
Income receivable	2(d)	216,380	168,271
Other receivables		598	24,176
<b>Total assets</b>		<b>820,940,263</b>	<b>945,426,454</b>
<b>Liabilities</b>			
Payable for shares redeemed	2(f)	520,466	491,113
Management fees payable	2(g)	464,228	559,346
Custodian fees payable	2(g)	8,764	8,106
Sub-Custodian fees payable	2(g)	1,993	4,873
Performance fees payable	2(g)	—	942,631
Director fees payable	2(g)	9,377	9,305
Audit fees payable	2(g)	13,002	10,167
Other payables		11,416	12,087
<b>Total liabilities</b>		<b>1,029,246</b>	<b>2,037,628</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>819,911,017</b>	<b>943,388,826</b>

The financial statements were approved by the Board on 12 January 2023 and signed on its behalf by:



Director

The notes on pages 19 to 30 form an integral part of these financial statements.

# Melville Douglas Select Fund Limited

## Statement of Comprehensive Income

For the year 1 October 2021 to 30 September 2022  
 (Comparatives are for the year 1 October 2020 to 30 September 2021)

	Notes	Global Equity Class 30 September 2022 USD	Global Equity Class 30 September 2021 USD	Global Impact USD Class 30 September 2022 USD	Global Impact USD Class 30 September 2021 USD
<b>Income</b>					
Dividend income	2(d)	9,041,530	7,505,461	292,674	41,463
Deposit interest	2(d)	20,890	1,324	2,951	21
Net (loss)/gain on financial assets at fair value through profit or loss	2(h), 3	(224,148,515)	129,258,889	(12,540,409)	246,718
<b>Total net (loss)/gain</b>		<b>(215,086,095)</b>	<b>136,765,674</b>	<b>(12,244,784)</b>	<b>288,202</b>
<b>Expenses</b>					
Management fees	2(g)	6,191,033	5,674,139	76,492	11,214
Custodian fees	2(g)	90,292	84,128	12,956	2,781
Sub-Custodian fees	2(g)	53,392	57,961	5,725	1,430
Performance fees	2(g)	80,908	2,955,776	—	—
Directors' fees	2(g)	35,969	36,658	1,288	254
Audit fees	2(g)	12,561	10,080	441	87
Sundry expenses		45,189	85,876	26,039	4,630
<b>Total operating expenses</b>		<b>6,509,344</b>	<b>8,904,618</b>	<b>122,941</b>	<b>20,396</b>
<b>Net (expense)/income before finance costs</b>		<b>(221,595,439)</b>	<b>127,861,056</b>	<b>(12,367,725)</b>	<b>267,806</b>
<b>Finance Costs:</b>					
Bank interest	2(d)	(123)	(85)	(11)	(34)
<b>Total Finance Costs</b>		<b>(123)</b>	<b>(85)</b>	<b>(11)</b>	<b>(34)</b>
Taxation	2(i), 4	(2,292,462)	(1,722,702)	(72,479)	(6,272)
<b>(Decrease)/Increase in net assets attributable to holders of redeemable shares from operations</b>		<b>(223,888,024)</b>	<b>126,138,269</b>	<b>(12,440,215)</b>	<b>261,500</b>

All of the above results are from continuing operations. There are no recognised gains or losses for the year other than those set out in the Statement of Comprehensive Income. There are no differences between the results above and those under historical cost.

The notes on pages 19 to 30 form an integral part of these financial statements

# Melville Douglas Select Fund Limited

## Statement of Comprehensive Income (continued)

For the year 1 October 2021 to 30 September 2022  
 (Comparatives are for the 1 October 2020 to 30 September 2021)

	Notes	Total 30 September 2022 USD	Total 30 September 2021 USD
<b>Income</b>			
Dividend income	2(d)	9,334,204	7,546,924
Deposit interest	2(d)	23,841	1,345
Net (loss)/gain on financial assets at fair value through profit or loss	2(h), 3	(236,688,924)	129,505,607
<b>Total net (loss)/gain</b>		<b>(227,330,879)</b>	<b>137,053,876</b>
<b>Expenses</b>			
Management fees	2(g)	6,267,525	5,685,353
Custodian fees	2(g)	103,248	86,909
Sub-Custodian fees	2(g)	59,117	59,391
Performance fees	2(g)	80,908	2,955,776
Directors' fees	2(g)	37,257	36,912
Audit fees	2(g)	13,002	10,167
Sundry expenses		71,228	90,506
<b>Total operating expenses</b>		<b>6,632,285</b>	<b>8,925,014</b>
<b>Net (expense)/income before finance costs</b>		<b>(233,963,164)</b>	<b>128,128,862</b>
<b>Finance Costs:</b>			
Bank interest	2(d)	(134)	(119)
<b>Total Finance Costs</b>		<b>(134)</b>	<b>(119)</b>
Taxation	2(i), 4	(2,364,941)	(1,728,974)
<b>(Decrease)/Increase in net assets attributable to holders of redeemable shares from operations</b>		<b>(236,328,239)</b>	<b>126,399,769</b>

The notes on pages 19 to 30 form an integral part of these financial statements.

# Melville Douglas Select Fund Limited

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the year 1 October 2021 to 30 September 2022

(Comparatives are for the year 1 October 2020 to 30 September 2021)

Notes	Global Equity Class	Global Equity Class	Global Impact USD Class	Global Impact USD Class
	30 September 2022 USD	30 September 2021 USD	30 September 2022 USD	30 September 2021 USD
Net assets attributable to holders of redeemable shares at the beginning of the year	933,431,326	577,852,694	9,957,500	—
Proceeds from the issue of shares	5	137,895,098	271,321,655	60,556,857
Payments on the redemption of shares	5	(84,406,655)	(41,881,292)	(1,194,870)
<b>(Decrease)/Increase in net assets attributable to holders of redeemable shares from investment activities</b>	<b>(223,888,024)</b>	<b>126,138,269</b>	<b>(12,440,215)</b>	<b>261,500</b>
<b>Net assets attributable to holders of redeemable shares at the end of the year</b>	<b>763,031,745</b>	<b>933,431,326</b>	<b>56,879,272</b>	<b>9,957,500</b>
Notes	Total 30 September 2022 USD	Total 30 September 2021 USD		
Net assets attributable to holders of redeemable shares at the beginning of the year	943,388,826	577,852,694		
Proceeds from the issue of shares	5	198,451,955	281,127,655	
Payments on the redemption of shares	5	(85,601,525)	(41,991,292)	
<b>(Decrease)/Increase in net assets attributable to holders of redeemable shares from investment activities</b>	<b>(236,328,239)</b>	<b>126,399,769</b>		
<b>Net assets attributable to holders of redeemable shares at the end of the year</b>	<b>819,911,017</b>	<b>943,388,826</b>		

The notes on pages 19 to 30 form an integral part of these financial statements.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements

### 1. Incorporation

The Company was originally incorporated in the British Virgin Islands on 19 November 1998 and was incorporated in Jersey, Channel Islands by way of a continuance on 31 March 2003.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented unless otherwise stated. These financial statements have been prepared on a going concern basis under the historical cost convention as modified by the measurement at fair value of investments in accordance with applicable Jersey Law and United Kingdom Generally Accepted Accounting Practice ("UK GAAP") including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"). The Company is an open-ended investment company incorporated by way of a continuance in Jersey on 31 March 2003 under the provisions of the Companies (Jersey) Law 1991 as Melville Douglas European Fund Limited and holds a fund certificate issued pursuant to the Collective Investment Funds (Jersey) Law 1988 and is regulated by the Jersey Financial Services Commission ("JFSC") as an unclassified fund. A summary of the more important accounting policies is set out below.

### 2. Accounting Policies

#### a. Basis of Accounting

These audited annual financial statements for the year ended 30 September 2022 have been prepared in accordance with FRS 102 as issued by the Financial Reporting Council ("FRC").

The Directors of the Company have applied FRS 102 for its annual and FRS 104 "Interim Financial Reporting" for its unaudited interim financial statements effective 1 October 2014.

The information required by FRS 102, to be included in a single statement for the reporting period displaying all items of income and expenses recognised during the period including those items recognised in determining profit or loss and items of other comprehensive income and a Reconciliation of Movements in Shareholders' Funds is, in the opinion of the directors, contained in the Statement of Comprehensive Income and Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares on pages 16 and 18. In arriving at the results for the period, all amounts in the Statement of Comprehensive Income on page 16 and 17 relate to continuing activities.

The Company has availed of the exemption available to open-ended investment funds under Section 7 "Statement of Cash Flows" of FRS 102 (Section 7.1a (c)), not to prepare a cash flow statement on the basis that substantially all of the Company's investments are highly liquid and carried at fair value, and the Company provides a Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares.

#### b. Investments

Investments are recognised on the Statement of Financial Position at the date on which the Company becomes party to contractual provisions of the instruments. Investments are initially recognised at cost which is the fair value at date of recognition. Subsequent to initial recognition, equities held are valued at closing mid-market price. Exchange Traded Funds held are valued at exchange price. Gains or losses arising from revaluation are recognised in the Statement of Comprehensive Income.

On disposal of investments, gains and losses on sale of investments are calculated on an average cost basis and are taken to the Statement of Comprehensive Income in the year in which they arise.

On initial application of FRS 102, in accounting for all of its financial instruments, an entity is required to apply either (a) the full requirements of Sections 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102, (b) the recognition and measurement provisions of International Accounting Standards ("IAS") 39 "Financial Instruments: Recognition and Measurement" ("IAS 39") as adopted for use in the European Union and the disclosure requirements of Sections 11 and 12, or (c) the recognition and measurement provisions of International Financial Reporting Standards ("IFRS") 9 "Financial Instruments" ("IFRS 9") and the disclosure requirements of Sections 11 and 12. The Company has applied FRS 102 from the year ended 30 September 2015 and has elected to apply the full requirements of Sections 11 and Section 12 of FRS 102.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 2. Accounting Policies (continued)

#### c. *Cash and cash equivalents*

Cash is valued at cost, which approximates fair value. Cash is held in accounts at The Bank of New York Mellon SA/NV London Branch which allows the Class Funds instant access to their accounts.

#### d. *Income*

Interest income is recognised using the effective interest rate method. Dividend income is accounted for on the ex-dividend date. Dividend income is reported gross of withholding tax deducted at source and the related withholding tax is disclosed separately as a tax charge in the Statements of Comprehensive Income.

Interest on deposit accounts is included on an accruals basis. Deposit interest and overdraft interest for the year is reported in the Statement of Comprehensive Income.

#### e. *Foreign currencies*

Transactions in foreign currencies are translated into the reporting currency of the Class Funds at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the reporting currency of the Class Funds at the rates of exchange ruling at the Statements of Financial Position date. The reporting currencies of the Class Funds are US Dollars.

Differences arising on translation are included in the Statements of Comprehensive Income within income or expenses in the year in which they arise.

#### f. *Share issues and redemptions*

Shares in the Company may be issued at the issue price and redeemed at the redemption price on subscription days at the prices calculated in accordance with the Articles of Association and based on the value of the underlying investments held in the relevant Class Fund. The directors' present policy is that:

- i. On the issue of shares, the amount received is credited to the share capital account.
- ii. On redemption, the amount paid is debited to the share capital account. Should that account be fully utilised, the amount payable on redemption is debited to realised reserves.

Receivable for shares sold and payable for shares redeemed represent amounts that have been contracted for but not yet settled or delivered on the Statement of Financial Position date.

#### g. *Expenses*

The Company is responsible for the payment of management, custodian, sub-custodian, performance and administration fees, which are accrued for on each subscription day (see Note 6). The Company is also responsible for the payment of auditor's and directors' remuneration together with reporting expenses and operational costs in accordance with the prospectus. All expenses are accounted for on an accruals basis.

#### h. *Net gains/(losses) on financial assets at fair value through profit or loss*

This item includes changes in the fair value of financial assets held for trading and excludes interest and dividend income and expenses. Unrealised gains and losses comprise changes in the fair value of financial instruments for the year. Realised gains and losses on disposals are calculated using the average cost method and are reflected as net gains or losses on investments in the Statement of Comprehensive Income.

#### i. *Withholding taxes*

In some jurisdictions investment income is subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income and is not significant for the Portfolio. Withholding tax is disclosed separately as a tax charge from the gross investment income in the Statement of Comprehensive Income.

#### j. *Distribution policy*

The Company's policy is to not distribute any income on its participating shares.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 3. Gains and losses on financial assets at fair value through profit or loss

	Global Equity Class	Global Equity Class	Global Impact USD Class	Global Impact USD Class
	30 September 2022 USD	30 September 2021 USD	30 September 2022 USD	30 September 2021 USD
<b>Non-derivative securities:</b>				
Net realised (loss)/gain on investments	(1,004,038)	6,521,660	181,874	33,003
Net movement in unrealised investment schemes	(223,144,477)	122,738,202	(12,722,283)	213,715
	<u>(224,148,515)</u>	<u>129,259,862</u>	<u>(12,540,409)</u>	<u>246,718</u>
<b>Derivative securities:</b>				
Net realised loss on foreign currency contracts	—	(973)	—	—
	<u>—</u>	<u>(973)</u>	<u>—</u>	<u>—</u>
<b>Net (loss)/gain on financial assets at fair value through profit or loss</b>	<b><u>(224,148,515)</u></b>	<b><u>129,258,889</u></b>	<b><u>(12,540,409)</u></b>	<b><u>246,718</u></b>
	<b>Total</b>	<b>Total</b>		
	<b>30 September</b>	<b>30 September</b>		
	<b>2022</b>	<b>2021</b>		
	<b>USD</b>	<b>USD</b>		
<b>Non-derivative securities:</b>				
Net realised (loss)/gain on investments	(822,164)	6,554,663		
Net movement in unrealised investment schemes	(235,866,760)	122,951,917		
	<u>(236,688,924)</u>	<u>129,506,580</u>		
<b>Derivative securities:</b>				
Net realised loss on foreign currency contracts	—	(973)		
	<u>—</u>	<u>(973)</u>		
<b>Net (loss)/gain on financial assets at fair value through profit or loss</b>	<b><u>(236,688,924)</u></b>	<b><u>129,505,607</u></b>		

### 4. Taxation

For the purposes of Jersey taxation, the Company will fall under Article 123C of the Income Tax (Jersey) Law 1961, as amended, as a Jersey resident Company which is neither a "utility company" nor a "financial services company" and as such will be charged to Jersey income tax at a rate of 0% on its income (other than on any rental income or property development profits arising in respect of Jersey situs real property or land). The Company will not be subject to tax in Jersey on any capital arising to it.

Under applicable foreign tax laws, withholding taxes may be deducted from interest, dividends and capital gains attributable to the Company, at various rates. The Company pays withholding tax on dividends, which is deducted at source. This is shown separately as a taxation charge in the Statement of Comprehensive Income.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 4. Taxation (continued)

	30 September 2022 USD	30 September 2021 USD
<b>Global Equity Class</b>		
Overseas tax - withholding tax on dividend income	2,292,462	1,722,702
<b>Global Impact USD Class</b>		
Overseas tax - withholding tax on dividend income	72,479	6,272
<b>Total</b>	<b>USD</b>	<b>USD</b>
Overseas tax - withholding tax on dividend income	2,364,941	1,728,974

### 5. Share capital

The Company is authorised to issue 100 management shares of USD1.00 each and an unlimited number of participating shares of no par value.

The management shares exist solely to comply with Companies (Jersey) Law 1991 which requires that participating redeemable preference shares ("participating shares") must have a preference over another class of capital. The holders of the management shares are entitled to receive notice of general meetings of the Company and to attend and vote thereat. On a poll a holder of management shares is entitled to one vote for each management share held by him/her. Management shares carry no right to a dividend and are not redeemable. In a winding up, they rank only for a return of paid up nominal capital out of the assets of the Company (before the return of nominal capital paid up on participating shares).

Participating shares carry the right to a proportionate share in the assets of the relevant Class Fund and to any dividends that may be declared. Holders of the shares are entitled to receive notice of all general meetings of the Company and to attend and vote thereat. The holder of each share is entitled to one vote for each share of which he is a holder. Shares are redeemable by shareholders at prices based on the value of the net assets of the relevant Class Fund as determined in accordance with its Articles of Association.

#### *Management shares*

The management shares have been issued to the Manager at par and the proceeds of the issue are represented by a separate management fund. Details of the management fund at the Statement of Financial Position date are as follows:

	30 September 2022 USD	30 September 2021 USD
Current account	100	100
Management shares of USD1.00 each		
Authorised, issued and fully paid	100	100

The management fund is not reflected in the Statement of Financial Position.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 5. Share capital (continued)

#### *Movements of participating shares*

The following table shows the movement in participating shares during the year ended 30 September 2022.

	Number of shares at 30 September 2021	Issued during the year	Redeemed during the year	Number of shares at 30 September 2022
Global Equity Class - Class A Shares	13,638,472	1,399,668	(1,538,205)	13,499,935
Global Equity Class - Class B Shares	3,536,271	471,166	(259,962)	3,747,475
Global Equity Class - Class C Shares	1,789,654	303,258	(150,233)	1,942,679
Global Equity Class - Class X Shares	23,637,342	4,626,117	(2,107,018)	26,156,441
Global Impact Class - Class A Shares	—	54,833	—	54,833
Global Impact Class - Class X Shares	967,268	5,993,490	(129,454)	6,831,304

The following tables show the movement in participating shares during the year ended 30 September 2021.

	Number of shares at 30 September 2020	Issued during the year	Redeemed during the year	Number of shares at 30 September 2021
Global Equity Class - Class A Shares	11,712,900	2,946,307	(1,020,735)	13,638,472
Global Equity Class - Class B Shares	2,549,824	1,203,597	(217,150)	3,536,271
Global Equity Class - Class C Shares	800,130	1,076,528	(87,004)	1,789,654
Global Equity Class - Class X Shares	16,303,940	7,921,875	(588,473)	23,637,342
Global Impact Class - Class X Shares	—	978,368	(11,100)	967,268

### 6. Related Party Transactions and Other Expenses

The following disclosures are made in accordance with the requirements of Section 33 "Related Party Disclosures" of FRS 102.

STANLIB Fund Managers Jersey Limited (the "Manager"), Melville Douglas Investment Management (Proprietary) Limited (the "Investment Manager") and all non-independent directors of the Company are related parties of the Company.

The Manager is considered a related party by virtue of its contractual arrangements. The Investment Manager and the directors are considered related parties to the Company as they make key operating decisions for the Company.

The Manager has the primary responsibility for the management and administration of the Company. The Manager has appointed the Investment Manager to provide it with investment management services in relation to the Company. The fees of the Investment Manager are paid by the Manager out of its fees.

The annual management fee payable to the Manager is calculated as 1.2% of the net asset value of the Class Fund for Class A Shares, 1.7% for Class B Shares and 1% for Class C Shares and 0.2% for Class X Shares.

The above amounts accrue on each subscription day and are payable to the Manager by monthly payments in arrears.

For the Class A Shares of Global Equity Class, the Manager is also entitled to a performance fee of 5% of the increase in the net asset value per share payable quarterly, calculated and accrued on each subscription day if the net asset value per share on that day exceeds the highest net asset value per share as at any previous subscription day. The Manager remits the above fee in full to the Investment Manager as an investment management performance fee when they occur. There are no performance fees charged in respect of the Class B Shares, Class C Shares or Class X Shares of Global Equity Class.

# Melville Douglas Select Fund Limited

## **Notes to the Financial Statements (continued)**

### **6. Related Party Transactions and Other Expenses (continued)**

There are no performance fees charged in respect of the Class X Shares of Global Impact USD Class.

The fees of the Custodian shall be calculated as follows, subject to an overall minimum fee in respect of each Class Fund of USD5,000 per annum (such minimum fee to be waived in respect of cash funds) (the "Minimum Fee"):

On amounts less than USD50 million 0.035%

On amounts of more than USD50 million, but less than USD100 million 0.025%

On amounts of more than USD100 million, but less than USD500 million 0.010%

On amounts over USD500 million 0.005%

Such fees shall accrue daily and shall be payable to the Custodian by monthly payments in arrears becoming due on the first business day of each month in respect of the preceding month.

The Custodian is also entitled to be reimbursed out of the Class Fund for charges and transaction fees levied on it by the Sub-Custodian and other sub-custodians which shall be at rates which have been negotiated on an arm's length basis or are otherwise on commercial terms.

Michael Farrow is entitled to receive up to GBP23,000 per annum from the Company as director fees. Graham Baillie, Oliver Sonnbichler and Robert Stewart are entitled to receive up to USD10,000 per director per annum from the Company. Directors fees incurred during the year ended 30 September 2022 amounted to USD37,257 (30 September 2021: USD36,912) with USD9,377 (30 September 2021: USD9,305) outstanding at the year end.

Robert Stewart holds 11,781.01 A Shares in the Global Equity Class.

The fees incurred during the year ended 30 September 2022 and 30 September 2021 are as disclosed in the Statement of Comprehensive Income with the amounts outstanding at the year end disclosed in the Statement of Financial Position.

As at 30 September 2022 the USD Balanced Class Fund held 40,735 shares (30 September 2021: 40,735 shares) in the Melville Douglas Select Fund Limited – Global Impact Class Fund, a related party which have appointed the same Manager, Investment Manager and Directors as the Fund.

As at 30 September 2022 the USD Global Growth Class Fund held 926,533 shares (30 September 2021: 926,533 shares) in the Melville Douglas Select Fund Limited – Global Impact Class Fund, a related party which have appointed the same Manager, Investment Manager and Directors as the Fund.

### **7. Financial risk management**

Consistent with the investment objectives, as noted in the Report of the Directors, the Company's financial instruments comprise quoted securities. In addition, the Company holds cash and liquid assets and various items such as debtors and creditors that arise directly from its operations.

The main risks arising from the Company's financial instruments are market risk (comprising market price risk, interest rate risk and currency risk), credit risk and liquidity risk. The Board reviews and agrees with the Manager and Investment Manager policies for managing each of these risks and they are summarised below.

#### **7.1. Market risk**

Market risk is the risk that the fair value of, or future cash flows arising from, financial instruments will fluctuate because of the changes in market variables. Market risk comprises three types of risks: market price risk, interest rate risk and currency risk.

##### **Market price risk**

Market price risk arises mainly from uncertainty about future prices of equity and equity-linked financial instruments. It represents the potential loss the Company may suffer due to movements in securities prices.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

The Class Fund's exposure to market price arises from its equity investments with a maximum exposure at the year end of USD803,480,609 (30 September 2021: USD925,633,535). The exposure levels are in line with the Class Fund's investment objectives and market price risk is managed through prescribed investment restrictions. Full details regarding the investment restrictions can be obtained from the prospectus.

#### Sensitivity analysis

The table below summarises the sensitivity of the Class Funds' net assets attributable to holders of redeemable shares to market price movements. It shows the increase/(decrease) in the net assets attributable to holders of redeemable shares for the Class Fund given a 5% movement in the underlying investment prices at year end; all other variables remaining constant (5% is considered to be a reasonable possible change in price):

	30 September 2022 USD	30 September 2021 USD
Global Equity Class	37,426,488	45,794,916
Global Impact USD Class	2,747,542	486,761

#### Interest rate risk

Interest rate risk is the risk that the fair value of, or future cash flows arising from, the financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk from cash held on deposit. Market forces (in terms of a general increase or decrease in interest rates in a particular currency) may therefore have a detrimental or positive effect on the cash flows from cash deposits. As cash deposits are available on demand, there is no significant fair value risk from interest rates.

The Company does not actively manage interest rate risk as it is considered insignificant.

#### Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, financial instruments will fluctuate because of changes in foreign exchange rates.

The Class Funds' assets and liabilities may be denominated in currencies other than the reporting currency of the Class Fund. Therefore the value of such assets and liabilities may be affected favourably or unfavourably by fluctuations in currency rates.

The Company may enter into derivative transactions for the purposes of hedging against currency risk on behalf of the Class Funds, subject to various maximum exposure limits.

A proportion of the net assets of the Global Equity Class and Global Impact USD Class is denominated in currencies other than US Dollars, the functional currency of each Class Fund. As a result, the performance of the each Class Fund can be affected by currency movements relative to the US Dollar.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

The tables below show the currency exposure of each Class Fund as at 30 September 2022 and 30 September 2021.

#### Global Equity Class

Exposure currency 30 September 2022	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
CHF	18,633,264	—	—	18,633,264	2.44
DKK	15,488,899	—	—	15,488,899	2.03
EUR	46,219,028	—	—	46,219,028	6.06
GBP	18,335,995	1	—	18,335,996	2.40
HKD	20,886,054	—	—	20,886,054	2.74
JPY	21,439,675	—	37,900	21,477,575	2.81
USD	607,526,854	13,145,524	1,318,551	621,990,929	81.52
	748,529,769	13,145,525	1,356,451	763,031,745	100.00

#### Global Equity Class

Exposure currency 30 September 2021	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
CHF	35,831,077	—	—	35,831,077	3.84
DKK	16,757,373	—	—	16,757,373	1.79
EUR	39,927,507	—	—	39,927,507	4.28
GBP	72,885,904	1	—	72,885,905	7.81
HKD	31,523,952	—	—	31,523,952	3.38
JPY	34,554,071	—	43,855	34,597,926	3.71
USD	684,418,426	15,856,783	1,632,377	701,907,586	75.19
	915,898,310	15,856,784	1,676,232	933,431,326	100.00

#### Global Impact USD Class

Exposure currency 30 September 2022	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
DKK	2,377,324	—	—	2,377,324	4.18
EUR	4,839,550	—	14,738	4,854,288	8.53
GBP	1,376,408	—	—	1,376,408	2.42
JPY	1,488,333	—	2,631	1,490,964	2.62
USD	44,869,225	1,824,138	86,925	46,780,288	82.25
	54,950,840	1,824,138	104,294	56,879,272	100.00

#### Global Impact USD Class

Exposure currency 30 September 2021	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
DKK	452,859	—	—	452,859	4.55
EUR	695,301	4,145	—	699,446	7.03
GBP	778,018	—	(4,118)	773,900	7.77
JPY	243,996	—	309	244,305	2.45
USD	7,565,051	195,666	26,273	7,786,990	78.20
	9,735,225	199,811	22,464	9,957,500	100.00

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

Currency risk is not managed actively in its separate form. Significant currency risk arises from the portfolio of investments denominated in foreign currencies and this affects the carrying value of the securities, hence is considered as part of price risk.

The following sensitivity analysis shows the change in the net assets of the Class Fund given a 5% increase or decrease in the value of a foreign currency relative to the Class Funds' reporting currency for all significant foreign currency positions of the Class Fund (5% is considered to be a reasonable possible change in foreign currency rates).

Global Equity Class	Change in net assets		Change in net assets	
	30 September 2022	USD	30 September 2021	USD
CHF	+/-5%	931,663	1,791,554	
DKK	+/-5%	774,445	837,869	
EUR	+/-5%	2,310,951	1,996,375	
GBP	+/-5%	916,800	3,644,295	
HKD	+/-5%	1,044,303	1,576,198	
JPY	+/-5%	1,073,879	1,729,896	

Global Impact USD Class	Change in net assets		Change in net assets	
	30 September 2022	USD	30 September 2021	USD
DKK	+/-5%	118,866	22,643	
EUR	+/-5%	242,714	34,972	
GBP	+/-5%	68,820	38,695	
JPY	+/-5%	74,548	12,215	

#### 7.2. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its liabilities as they fall due. This also relates to the risk that the Company may not be able to realise its investments at current market values in time to meet its obligations.

Shareholders have the right to redeem their shares in the Company at every subscription day. The Company therefore needs to have adequate liquid resources to meet these redemptions and the maturity profile of the Company's investments may affect the Company's liability to meet the redemptions if the weighted average days to maturity is longer than the weighted average days to redemption.

Liquidity risk in relation to funding of redemptions is managed by receiving daily notifications of forthcoming redemption notices and ensuring sufficient liquidity within the portfolio. Although substantial redemptions of shares in the Class Funds could require the Class Funds to liquidate their investments more rapidly than otherwise desirable in order to raise cash for the redemptions, the Directors may restrict redemption of shares to no more than 20% of the issued shares of any Share Class on any Dealing Day, with excess requests being scaled back on a pro-rata basis, with the balance being carried forward to the next Dealing Day and so on until all the Shares concerned have been redeemed.

#### 7.3. Credit risk

Credit risk is the risk that the counterparties to the Company may be unable or unwilling to meet their obligations to the Company under the contractual or agreed terms. The Company's maximum exposure to credit risk is represented by the carrying value of cash and debtors.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.3. Credit risk (continued)

The risk arising from deposits and debtors is considered minimal and therefore not actively managed. Significant debtors may arise from outstanding sales receipts. This is controlled by ensuring that securities are not transferred before settlement. Debtors arising from dividends and interest received are not considered material for the purpose of credit risk exposure.

Each Class Fund is restricted to investing no more than 10% of its net asset value in any one issuer and to investing in no more than 10% of the total nominal amount of all issued securities of the same class in the invested corporation. These limits are tested on a daily basis by the Administrator, on a monthly basis by the Manager and confirmation of adherence is received by the Board of Directors on a quarterly basis, in order to demonstrate effective control. The credit ratings of the investments are disclosed in Portfolio Statements (Unaudited).

The Class Funds are not exposed to significant credit risk from the Custodian, Sub-Custodian and banker as all investments of the Class Funds are maintained in a segregated account, which are designated as client assets and are not co-mingled with any proprietary assets of the Custodian. The Class Funds will, however, be exposed to the credit risk of the Custodian, or any depositary used by the Custodian, in relation to the Class Fund's cash held by the Custodian. In event of the insolvency or bankruptcy of the Custodian, the Class Funds will be treated as a general creditor of the Custodian in relation to cash holdings of the Class Funds.

The Custodian, Apex Financial Services (Corporate) Limited is not rated with Standard & Poor's, Moody's or Fitch.

For the year ended 30 September 2022, the Sub-Custodian and Banker, The Bank of New York Mellon SA/NV London Branch has a credit rating of AA- (2021 : AA-) with Standard & Poor's, Aa2 (2021 : Aa2) with Moody's and AA (2021 : AA) with Fitch.

#### 7.4. Fair value hierarchy

The FRC issued "Amendments to FRS 102 - Fair value hierarchy disclosures", effective for accounting periods beginning on or after 1 January 2017, with early adoption permitted. FRED 62 proposed to amend paragraphs 34.22 and 34.42 of FRS 102 to require disclosure of financial instruments held at fair value on the basis of a fair value hierarchy consistent with EU-adopted IFRS based on Level 1, 2 and 3 classifications. The Company has availed of early adoption thus the financial statements and comparatives have been prepared in accordance with these amendments and fair value measurement is categorised based on Levels 1, 2 and 3. These amendments did not have any impact on the Funds' financial position or performance.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted mid-market prices on the year end date or in the case of fund of funds are based on the net asset value per unit.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

FRS 102 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The fair value hierarchy has the following levels:

# Melville Douglas Select Fund Limited

## **Notes to the Financial Statements (continued)**

### **7. Financial risk management (continued)**

#### **7.4. Fair value hierarchy (continued)**

- Listed prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The Company's financial assets measured at fair value as at 30 September 2022 and 30 September 2021 are all classified as Level 1 within the fair value hierarchy. There were no transfers between the levels during the reporting periods. There were no financial liabilities at 30 September 2022 or 30 September 2021.

# Melville Douglas Select Fund Limited

## **Notes to the Financial Statements (continued)**

### **8. Exchange rates**

The following exchange rates at 30 September 2022 and 30 September 2021 were used to translate foreign currency assets and liabilities:

#### **Global Equity Class and Global Impact USD Class**

	<b>30 September 2022</b>	<b>30 September 2021</b>
USD/CHF	0.98428	0.93284
USD/DKK	7.58990	6.41614
USD/EUR	1.02078	0.86287
USD/GBP	0.89582	0.74165
USD/HKD	7.84991	7.78463
USD/JPY	144.74501	111.57500

### **9. Significant events during the year**

A new prospectus was issued in January 2022.

On 24 February 2022, Russia launched a military offensive against Ukraine resulting in widespread sanctions on Russia and heightened security and cyber threats. No fair value pricing was needed in the Class Funds as there is no direct holdings in Russian or Ukrainian assets however the market disruptions associated with current geopolitical events have had a global impact, and uncertainty exists as to their implications. Such disruptions can adversely affect assets of the Fund and thus performance of the different Class Funds. Management continues to monitor developments and evaluate its impact on the Fund and its Class Funds.

There were no other significant events during the year that require disclosure in these financial statements.

### **10. Post statement of financial position events**

There were no significant post statement of financial position events that require disclosure in these financial statements.

### **11. Contingent Liabilities**

There were no contingent liabilities as at 30 September 2022 or as at 30 September 2021.

### **12. Approval of financial statements**

The financial statements were approved by the Board of Directors on 12 January 2023.

# Melville Douglas Select Fund Limited

## Portfolio Statement

### Global Equity Class

As at 30 September 2022

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.10% (30 September 2021: 98.12%)</b>				
<b>Common Stock 98.10% (30 September 2021: 98.12%)</b>				
<b>Cayman Islands</b>				
Alibaba Group Holding Ltd ADR	129,825	25,494,874	10,394,439	1.36
Tencent Holdings Ltd	614,749	26,871,265	20,886,054	2.74
			31,280,493	4.10
<b>Denmark</b>				
Orsted AS '144A'	194,409	20,092,281	15,488,899	2.03
<b>France</b>				
LVMH Moet Hennessy Louis Vuitton SE	33,701	25,126,153	20,148,966	2.64
<b>Germany</b>				
Brenntag SE	427,500	27,395,034	26,070,062	3.42
<b>India</b>				
HDFC Bank Ltd ADR	580,260	35,829,829	33,930,704	4.45
<b>Ireland</b>				
ICON Plc	109,929	20,594,308	20,205,500	2.65
Linde Plc	121,000	22,766,232	32,629,465	4.27
			52,834,965	6.92
<b>Japan</b>				
Keyence Corp	64,780	23,032,535	21,439,675	2.81
<b>Jersey</b>				
Experian Plc	617,391	14,216,666	18,335,995	2.40
<b>Switzerland</b>				
Partners Group Holding AG	22,800	16,335,877	18,633,264	2.44
<b>United Kingdom</b>				
<b>United States</b>				
Alphabet Inc	22,080	2,568,393	2,112,504	0.28
Alphabet Inc - Class A	342,000	25,514,579	32,720,850	4.29
Amazon.com Inc	234,465	22,842,902	26,509,785	3.48
Amphenol Corp - Class A	562,000	32,852,583	37,659,620	4.94
Boston Scientific Corp	855,500	32,408,677	33,163,457	4.34
Ecolab Inc	97,400	18,434,414	14,077,222	1.84
Elevance Health Inc	88,120	24,866,827	40,109,140	5.26
Estee Lauder Cos Inc/The - Class A	96,000	20,366,614	20,769,600	2.73
Meta Platforms Inc - Class A	131,291	35,698,113	17,816,189	2.33

# Melville Douglas Select Fund Limited

## Portfolio Statement (continued)

Johnson & Johnson	210,330	28,799,476	34,407,885	4.51
JPMorgan Chase & Co	225,539	27,977,531	23,600,401	3.09
Mastercard Inc	106,000	23,447,140	30,203,110	3.96
Microsoft Corp	200,190	19,955,738	46,609,237	6.11
NIKE Inc	195,000	17,910,633	16,207,425	2.12
PepsiCo Inc	122,650	14,207,822	20,029,358	2.62
Starbucks Corp	295,170	24,989,013	24,872,500	3.26
UnitedHealth Group Inc	79,361	19,006,853	40,154,285	5.26
Verisk Analytics Inc - Class A	113,100	18,300,560	19,292,598	2.53
Visa Inc - Class A	169,000	23,621,947	<u>30,051,580</u>	<u>3.94</u>
			510,366,746	66.89
<b>Total Common Stock</b>			<b>748,529,769</b>	<b>98.10</b>
<b>Total Investments</b>	<b>691,524,869</b>	<b>748,529,769</b>	<b>98.10</b>	
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>748,529,769</b>	<b>98.10</b>
Net current assets		<u>14,501,976</u>		<u>1.90</u>
<b>Total net assets</b>	<b><u>763,031,745</u></b>	<b><u>763,031,745</u></b>	<b><u>100.00</u></b>	

# Melville Douglas Select Fund Limited

## Portfolio Statement (continued)

### Global Impact USD Class

As at 30 September 2022

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 96.61% (30 September 2021: 97.77%)</b>				
<b>Common Stock 85.30% (30 September 2021: 84.97%)</b>				
<b>Canada</b>				
Shopify Inc	43,550	2,656,589	<u>1,173,455</u> 1,173,455	2.06 2.06
<b>Denmark</b>				
Orsted AS '144A'	29,839	3,553,617	2,377,324	4.18
<b>Finland</b>				
Neste Oyj	52,420	2,541,556	2,293,413	4.03
<b>India</b>				
HDFC Bank Ltd ADR	42,579	2,689,166	<u>2,489,807</u> 2,489,807	4.38 4.38
<b>Ireland</b>				
Linde Plc	5,720	1,741,550	1,542,484	2.71
<b>Japan</b>				
Keyence Corp	4,497	1,987,967	1,488,333	2.62
<b>Jersey</b>				
Experian Plc	46,345	1,601,845	1,376,408	2.42
<b>Spain</b>				
Iberdrola SA	271,215	2,997,052	2,546,137	4.48
<b>United Kingdom</b>				
<b>United States</b>				
Alphabet Inc	20,240	2,647,950	1,936,462	3.41
Alphabet Inc - Class A	3,240	331,146	309,987	0.55
Amazon.com Inc	15,300	2,223,837	1,729,894	3.04
ANSYS Inc	6,365	1,969,536	1,410,579	2.48
Block Inc	17,558	1,992,797	965,953	1.70
Boston Scientific Corp	64,803	2,755,366	2,512,089	4.42
Ecolab Inc	14,936	2,736,370	2,158,700	3.79
Elevance Health Inc	4,134	1,914,775	1,881,652	3.31
Enphase Energy Inc	10,645	1,898,456	2,954,680	5.20
IQVIA Holdings Inc	10,030	2,292,592	1,817,486	3.19
Mastercard Inc	7,753	2,809,615	2,209,101	3.88
Microsoft Corp	11,729	3,350,382	2,730,805	4.80
PayPal Holdings Inc	13,640	1,707,561	1,174,404	2.06
Planet Fitness Inc	25,367	2,071,707	1,462,789	2.57

# Melville Douglas Select Fund Limited

## Portfolio Statement (continued)

Plug Power Inc	95,944	2,260,498	2,016,263	3.54
Thermo Fisher Scientific Inc	3,308	1,855,642	1,679,157	2.95
UnitedHealth Group Inc	3,997	1,935,392	2,022,362	3.55
Visa Inc	11,058	2,387,153	1,966,334	3.46
Visa Inc - Class A	1,648	372,575	293,047	0.52
			33,231,744	58.42
<b>Total Common Stock</b>			<b>48,519,105</b>	<b>85.30</b>
<b>Investment Companies 11.31% (30 September 2021: 12.80%)</b>				
<b>United States</b>				
iShares Trust iShares MSCI Glo	48,712	4,184,503	3,447,591	6.06
iShares Self-Driving EV and Tech ETF	89,359	3,992,226	2,984,144	5.25
			6,431,735	11.31
<b>Total Investment Companies</b>			<b>6,431,735</b>	<b>11.31</b>
<b>Total Investments</b>	<b>67,459,421</b>	<b>54,950,840</b>	<b>96.61</b>	
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>54,950,840</b>	<b>96.61</b>
Net current assets			<u>1,928,432</u>	<u>3.39</u>
<b>Total net assets</b>			<b><u>56,879,272</u></b>	<b><u>100.00</u></b>

# Melville Douglas Select Fund Limited

## Fund Statistics (Unaudited)

	Net asset value USD	Net asset value per share USD	% change in year**	Number of shares in issue	Highest Price* USD	Lowest Price* USD
<b>Global Equity Class – Class A Shares</b>						
30 September 2012	40,962,494	10.13	1.30	4,045,144	10.28	9.45
30 September 2013	121,541,315	11.23	10.86	10,825,899	11.43	9.84
30 September 2014	153,916,966	12.12	7.93	12,694,370	12.73	10.94
30 September 2015	156,129,444	11.53	(4.87)	13,544,699	13.06	11.34
30 September 2016	171,840,280	12.52	8.59	13,730,332	12.60	11.10
30 September 2017	227,737,640	14.86	18.69	15,323,737	14.93	11.95
30 September 2018	246,939,029	16.98	14.27	14,539,760	17.18	14.90
30 September 2019	215,568,776	17.60	3.65	12,248,249	18.32	14.49
30 September 2020	240,418,047	20.53	16.65	11,712,900	21.47	13.27
30 September 2021	332,427,349	24.37	18.70	13,638,472	26.11	20.21
30 September 2022	252,215,998	18.68	(23.35)	13,499,935	26.24	18.68
<b>Global Equity Class – Class B Shares</b>						
At launch (9 September 2016)	128,601	9.82	-	13,094	-	-
30 September 2016	986,556	9.93	1.12	99,322	9.98	9.82
30 September 2017	6,905,958	11.81	18.93	584,745	11.86	9.48
30 September 2018	17,099,072	13.52	14.48	1,264,355	13.72	11.84
30 September 2019	26,865,557	13.99	3.48	1,920,453	14.58	11.52
30 September 2020	41,722,549	16.36	16.94	2,549,824	17.12	10.57
30 September 2021	69,038,889	19.52	19.32	3,536,271	20.92	16.11
30 September 2022	55,810,918	14.89	(23.72)	3,747,475	21.01	14.89
<b>Global Equity Class – Class C Shares</b>						
At launch (10 November 2016)	73,357	9.99	-	7,346	-	-
30 September 2017	1,282,174	12.16	21.72	105,416	12.22	9.90
30 September 2018	3,444,267	13.97	14.88	246,548	14.15	12.20
30 September 2019	7,242,664	14.49	3.72	499,694	15.09	11.91
30 September 2020	13,660,375	17.07	17.81	800,130	17.85	10.99
30 September 2021	36,710,897	20.51	20.15	1,789,654	21.97	16.82
30 September 2022	30,612,930	15.76	(23.16)	1,942,679	22.10	15.76
<b>Global Equity Class – Class X Shares</b>						
At launch (9 September 2016)	2,274,514	9.77	-	232,764	-	-
30 September 2016	2,154,526	9.89	1.23	217,870	9.93	9.77
30 September 2017	22,118,920	11.94	20.73	1,853,092	11.99	9.45
30 September 2018	102,112,524	13.87	16.16	7,359,790	14.02	11.97
30 September 2019	148,509,727	14.57	5.05	10,192,974	15.14	11.86
30 September 2020	282,051,723	17.30	18.74	16,303,940	18.08	11.09
30 September 2021	495,254,191	20.95	21.10	23,637,342	22.43	17.05
30 September 2022	424,391,899	16.23	(22.53)	26,156,441	22.59	16.23

# Melville Douglas Select Fund Limited

## Fund Statistics (Unaudited) (continued)

Global Class –	Impact	USD	Net asset value	Net asset value per share	% change in year**	Number of shares in issue	Highest Price*	Lowest Price*
<b>Class A Shares***</b>			USD	USD			USD	USD
At launch (13 May 2022)								
30 September 2022		528,378		9.64	-	54,833	11.79	9.59
Global Class –	Impact	USD	Net asset value	Net asset value per share	% change in year**	Number of shares in issue	Highest Price*	Lowest Price*
<b>Class X Shares</b>			USD	USD			USD	USD
At launch (12 March 2021)			9,245,894	9.99	-	924,600	-	-
30 September 2021		9,957,500		10.29	3.00	967,268	11.12	9.82
30 September 2022		56,350,895		8.25	(19.83)	6,831,304	11.34	8.18

\* Prior to 30 September 2016 the highest price/lowest price was based on the reported net asset value for shareholder dealing which may be different from the financial statements.

\*\* Performance figures are based on the net asset value for financial reporting. This differs from the performance figures disclosed in the Investment Manager's Report, which are based on the net asset value for shareholders dealing.

\*\*\*Share class launched on 13 May 2022.

The performance data in this table covers the year from incorporation by way of a continuance in Jersey to date. Performance data for previous years can be found in the fact sheets issued by the Investment Manager.

# Melville Douglas Select Fund Limited

## Other Information (Unaudited)

### Total Expense Ratio (Unaudited)

The Total Expense Ratio ("TER") is calculated and disclosed as per the guidelines issued by the Investment Management Association. The ratio expresses the sum of all costs charged on an ongoing basis to the Class Funds taken retrospectively as a percentage of the Class Fund's average net assets. For clarity, when the Class Fund is investing in other funds, the ongoing cost of these funds is not incorporated in the calculation of the TER.

	30 September 2022 USD	30 September 2021 USD
Global Equity Class – Class A Shares (including performance fees)	1.25%	2.21%
Global Equity Class – Class A Shares (excluding performance fees)	1.22%	1.23%
Global Equity Class – Class B Shares	1.73%	1.73%
Global Equity Class – Class C Shares	1.03%	1.03%
Global Equity Class – Class X Shares	0.23%	0.23%
Global Impact USD Class – Class A Shares**	1.31%	-
Global Impact USD Class – Class X Shares*	0.32%	0.36%

\*Class Fund launched on 12 March 2021.

\*\*Share class launched on 13 May 2022.

Please refer to the Statement of Comprehensive Income for performance fees incurred during the year.

### Investment Purchases, Investment Sales and Commissions (Unaudited)

Global Equity Class	30 September 2022 USD	30 September 2021 USD
Gross purchases in year including transaction costs	113,429,336	248,272,456
Net purchases total	<u>113,429,336</u>	<u>248,272,456</u>
Gross sales in year including transaction costs	57,247,776	12,847,780
Net sales total	<u>57,247,776</u>	<u>12,847,780</u>

Global Impact USD Class	30 September 2022 USD	30 September 2021 USD
Gross purchases in year including transaction costs	60,906,152	10,092,714
Net purchases total	<u>60,906,152</u>	<u>10,092,714</u>
Gross sales in year including transaction costs	3,155,498	608,632
Net sales total	<u>3,155,498</u>	<u>608,632</u>

# Melville Douglas Select Fund Limited

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN pursuant to the Articles of Association of Melville Douglas Select Fund Limited (the "Company") that the Annual General Meeting of the Company will take place on 3 February 2023 at Standard Bank House, 47-49 La Motte Street, St. Helier, Jersey, Channel Islands at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following Resolutions:

Ordinary resolution

1. To receive and adopt the audited financial statements for the year ended 30 September 2022 together with the reports of the Directors and Independent Auditor thereon.
2. To re-elect Mr Graham Baillie, Mr Michael Farrow, Mr Oliver Sonnbichler and Mr Robert Stewart as Directors of the Company.
3. To fix the remuneration of the Directors at up to £23,000 (Chair) and \$10,000 (other Directors) per year for the forthcoming year.
4. To re-appoint PricewaterhouseCoopers, Ireland as auditors of the Company and authorise the directors to agree the auditors' remuneration.



**By order of the board**  
**STANLIB Fund Managers Jersey Limited**  
**Secretary**  
**12 January 2023**

### Notes

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his stead a proxy need not be a member of the Company.
2. To be valid this proxy form must be completed and deposited at the registered office of the Company not less than 48 hours before the time fixed for the meeting.
3. If the shareholder is a corporation the form must be executed either under its common seal or under the hand of an officer or attorney so authorised.
4. In the case of joint holders, the signature of any one joint holder will be sufficient, but the names of all joint holders should be stated.

**The Secretary**  
**Melville Douglas Select Fund Limited**  
**Standard Bank House**  
**47-49 La Motte Street**  
**St. Helier**  
**Jersey**  
**JE2 4SZ**

**Melville Douglas Select Fund Limited (the “Company”)**

**Form of Proxy**

*Please complete in  
block capitals*

I/We .....

*Complete only if  
Special proxy  
desired. (See Note  
a. below)*

being a holder(s) of.....Participating shares in the capital of the Company  
hereby appoint the Chairman of the Meeting or failing him:

*Resolutions  
\*Strike out whatever  
is not desired*

Ordinary Resolution

No 1 For/Against\*  
No 2 For/Against\*  
No 3 For/Against\*  
No 4 For/Against\*

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Signature \_\_\_\_\_

- a. If you desire to appoint a proxy other than indicated above, please delete the appropriate words and insert the name and address of your proxy
- b. Unless otherwise instructed, the proxy will vote or abstain from voting as he thinks fit in relation to the resolutions referred to above
- c. To be valid, the proxy must be lodged with the secretary of the Company 48 hours prior to the time of the meeting
- d. A corporation should complete this form under its common seal or under the hand of a duly authorised officer or attorney